



General Assembly

February Session, 2024

***Raised Bill No. 372***

LCO No. 1966



Referred to Committee on APPROPRIATIONS

Introduced by:  
(APP)

***AN ACT CONCERNING PAYMENTS BY INSURANCE COMPANIES  
FOR DEPOSIT INTO THE INSURANCE FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-47 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 (a) All domestic insurance companies and other domestic entities  
4 subject to taxation under chapter 207 shall, in accordance with section  
5 38a-48, as amended by this act, annually pay to the Insurance  
6 Commissioner, for deposit in the Insurance Fund established under  
7 section 38a-52a, an amount equal to:

8 (1) The actual expenditures made by the Insurance Department  
9 during each fiscal year; [, and the actual expenditures made by the  
10 Office of the Healthcare Advocate, including the cost of fringe benefits  
11 for department and office personnel as estimated by the Comptroller;]

12 (2) For only domestic insurance companies, including domestic  
13 health care centers, that have written policies of health insurance, as  
14 defined in section 38a-469, in this state during the preceding calendar

15 year, the actual expenditures made by the Office of the Healthcare  
16 Advocate, including the cost of fringe benefits for department and office  
17 personnel as estimated by the Comptroller;

18 [(2) The] (3) For only domestic insurance companies, including  
19 domestic health care centers, that have written policies of health  
20 insurance, as defined in section 38a-469, in this state during the  
21 preceding calendar year, the amount appropriated to the Office of  
22 Health Strategy from the Insurance Fund for the fiscal year, including  
23 the cost of fringe benefits for office personnel as estimated by the  
24 Comptroller, which shall be reduced by the amount of federal  
25 reimbursement received for allowable Medicaid administrative  
26 expenses;

27 [(3)] (4) The expenditures made on behalf of the department and said  
28 offices from the Capital Equipment Purchase Fund pursuant to section  
29 4a-9 for such year, but excluding such estimated expenditures made on  
30 behalf of the Health Systems Planning Unit of the Office of Health  
31 Strategy; and

32 [(4)] (5) The amount appropriated to the Department of Aging and  
33 Disability Services for the fall prevention program established in section  
34 17a-859 from the Insurance Fund for the fiscal year.

35 (b) The expenditures and amounts specified in subdivisions (1) to  
36 [(4)] (5), inclusive, of subsection (a) of this section shall exclude  
37 expenditures paid for by fraternal benefit societies, foreign and alien  
38 insurance companies and other foreign and alien entities under sections  
39 38a-49 and 38a-50.

40 (c) Payments shall be made by assessment of all such domestic  
41 insurance companies and other domestic entities calculated and  
42 collected in accordance with the provisions of section 38a-48, as  
43 amended by this act. Any such domestic insurance company or other  
44 domestic entity aggrieved because of any assessment levied under this  
45 section may appeal therefrom in accordance with the provisions of  
46 section 38a-52.

47 Sec. 2. Subsections (a) to (c), inclusive, of section 38a-48 of the general  
48 statutes are repealed and the following is substituted in lieu thereof  
49 (*Effective July 1, 2024*):

50 (a) (1) On or before June thirtieth, annually, the Commissioner of  
51 Revenue Services shall render to the Insurance Commissioner a  
52 statement certifying the amount of taxes or charges imposed on each  
53 domestic insurance company or other domestic entity under chapter 207  
54 on business done in this state during the preceding calendar year. The  
55 statement for local domestic insurance companies shall set forth the  
56 amount of taxes and charges before any tax credits allowed as provided  
57 in subsection (a) of section 12-202.

58 (2) Upon receipt of the statement described in subdivision (1) of this  
59 subsection, the Insurance Commissioner shall prepare a statement of the  
60 amount of taxes or charges imposed on each domestic insurance  
61 company or other domestic entity under chapter 207 that wrote policies  
62 of health insurance, as defined in section 38a-469, in this state. Such  
63 amount shall be that as certified by the Commissioner of Revenue  
64 Services in accordance with subdivision (1) of this subsection.

65 (b) On or before July thirty-first, annually, the Insurance  
66 Commissioner and the Office of the Healthcare Advocate shall render  
67 to each domestic insurance company or other domestic entity liable for  
68 payment under section 38a-47, as amended by this act:

69 (1) A statement that includes, as separate line items, for the fiscal year  
70 beginning July first of the year such statement is rendered: (A) [the] The  
71 amount appropriated to the Insurance Department [,] from the  
72 Insurance Fund established under section 38a-52a, (B) the amount  
73 appropriated to the Office of the Healthcare Advocate [and] from the  
74 Insurance Fund, (C) the amount appropriated to the Office of Health  
75 Strategy from the Insurance Fund, [established under section 38a-52a  
76 for the fiscal year beginning July first of the same year, (B)] (D) the cost  
77 of fringe benefits for department and office personnel, [for such year,]  
78 as estimated by the Comptroller, [(C)] (E) the estimated expenditures on

79 behalf of the department and the offices from the Capital Equipment  
80 Purchase Fund pursuant to section 4a-9, [for such year,] not including  
81 such estimated expenditures made on behalf of the Health Systems  
82 Planning Unit of the Office of Health Strategy, and [(D)] (F) the amount  
83 appropriated to the Department of Aging and Disability Services for the  
84 fall prevention program established in section 17a-859 from the  
85 Insurance Fund; [for the fiscal year;]

86 (2) [a] A statement of (A) (i) the total taxes imposed on all domestic  
87 insurance companies and domestic insurance entities under chapter 207  
88 on business done in this state during the preceding calendar year, and  
89 (ii) each such company's or entity's proportionate share of such total,  
90 and (B) (i) the total taxes imposed under chapter 207 on only those  
91 domestic insurance companies and entities that provided health  
92 insurance, as defined in section 38a-469, in this state during the  
93 preceding calendar year, and (ii) each such company's or entity's  
94 proportionate share of such total; and

95 (3) [the] The proposed assessment against that company or entity,  
96 calculated in accordance with the provisions of subsection (c) of this  
97 section, provided for the purposes of this calculation the amount  
98 appropriated to the Insurance Department, the Office of the Healthcare  
99 Advocate and the Office of Health Strategy from the Insurance Fund  
100 plus the cost of fringe benefits for department and office personnel and  
101 the estimated expenditures on behalf of the department and the office  
102 from the Capital Equipment Purchase Fund pursuant to section 4a-9,  
103 not including such expenditures made on behalf of the Health Systems  
104 Planning Unit of the Office of Health Strategy shall be deemed to be the  
105 actual expenditures of the department and the office, and the amount  
106 appropriated to the Department of Aging and Disability Services from  
107 the Insurance Fund for the fiscal year for the fall prevention program  
108 established in section 17a-859 shall be deemed to be the actual  
109 expenditures for the program.

110 (c) (1) The proposed assessments for each domestic insurance  
111 company or other domestic entity shall be calculated by (A) allocating

112 twenty per cent of the amount to be paid under section 38a-47, as  
113 amended by this act, among the domestic entities organized under  
114 sections 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive,  
115 in proportion to their respective shares of the total taxes and charges  
116 imposed under chapter 207 on such entities on business done in this  
117 state during the preceding calendar year, and (B) allocating eighty per  
118 cent of (i) the amount to be paid under subdivisions (1), (4) and (5) of  
119 subsection (a) of section 38a-47, as amended by this act, among all  
120 domestic insurance companies and domestic entities, and (ii) the  
121 amount to be paid under subdivisions (2) and (3) of subsection (a) of  
122 section 38a-47, as amended by this act, among only those domestic  
123 insurance companies and entities that provided health insurance in this  
124 state during the preceding calendar year, in each case other than those  
125 organized under sections 38a-199 to 38a-209, inclusive, and 38a-214 to  
126 38a-225, inclusive, in proportion to their respective shares of the total  
127 taxes and charges imposed under chapter 207 on such domestic  
128 insurance companies and domestic entities on business done in this state  
129 during the preceding calendar year, provided if there are no domestic  
130 entities organized under sections 38a-199 to 38a-209, inclusive, and 38a-  
131 214 to 38a-225, inclusive, at the time of assessment, one hundred per cent  
132 of the amount to be paid under section 38a-47, as amended by this act,  
133 shall be allocated among such domestic insurance companies and  
134 domestic entities.

135 (2) When the amount any such company or entity is assessed  
136 pursuant to this section exceeds twenty-five per cent of the actual  
137 expenditures of the Insurance Department, the Office of the Healthcare  
138 Advocate and the Office of Health Strategy from the Insurance Fund,  
139 such excess amount shall not be paid by such company or entity but  
140 rather shall be assessed against and paid by all other such companies  
141 and entities in proportion to their respective shares of the total taxes and  
142 charges imposed under chapter 207 on business done in this state during  
143 the preceding calendar year, except that for purposes of any assessment  
144 made to fund payments to the Department of Public Health to purchase  
145 vaccines, such company or entity shall be responsible for its share of the

146 costs, notwithstanding whether its assessment exceeds twenty-five per  
147 cent of the actual expenditures of the Insurance Department, the Office  
148 of the Healthcare Advocate and the Office of Health Strategy from the  
149 Insurance Fund. The provisions of this subdivision shall not be  
150 applicable to any corporation which has converted to a domestic mutual  
151 insurance company pursuant to section 38a-155 upon the effective date  
152 of any public act which amends said section to modify or remove any  
153 restriction on the business such a company may engage in, for purposes  
154 of any assessment due from such company on and after such effective  
155 date.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	38a-47
Sec. 2	<i>July 1, 2024</i>	38a-48(a) to (c)

**Statement of Purpose:**

To realign the structure of payments by insurance companies into the Insurance Fund.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*